

WILLIAM PENN BANCORP INC  
Form DEF 14A  
October 04, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.     )

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12

WILLIAM PENN BANCORP, INC.  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

No fee required  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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William Penn Bancorp, Inc.  
8150 Route 13  
Levittown, Pennsylvania 19057  
(215) 945-1200

October 4, 2010

Dear Fellow Stockholder:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders of William Penn Bancorp, Inc., the holding company for William Penn Bank, FSB. The Annual Meeting will be held at the Hampton Inn & Suites Newtown, 1000 Stoney Hill Road, Yardley, Pennsylvania on Wednesday, November 3, 2010 at 10:00 a.m., Eastern Time.

The attached Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted at the meeting. During the meeting, we will also report on the operations of the Company. Directors and officers of the Company will be present to respond to any questions stockholders may have.

**WE URGE YOU TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE EVEN IF YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING.** Your vote is important, regardless of the number of shares you own. Voting by proxy will not prevent you from voting in person but will assure that your vote is counted if you are unable to attend the meeting. On behalf of your Board of Directors, we thank you for your interest and support.

Sincerely,

/s/ Terry L. Sager

Terry L. Sager  
President and Chief Executive Officer

William Penn Bancorp, Inc.  
8150 Route 13  
Levittown, Pennsylvania 19057  
(215) 945-1200

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON NOVEMBER 3, 2010

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of William Penn Bancorp, Inc. will be held at the Hampton Inn & Suites Newtown, 1000 Stoney Hill Road, Yardley, Pennsylvania on Wednesday, November 3, 2010 at 10:00 a.m., Eastern Time, for the following purposes:

1. To elect two directors;
2. To ratify the appointment of S.R. Snodgrass, A.C. as the Company's independent auditors for the fiscal year ending June 30, 2011; and
3. To consider any other matters that may properly come before the Annual Meeting.

Any action may be taken on any one of the above proposals at the Annual Meeting on the date specified above or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned. Only stockholders of record at the close of business on September 15, 2010 are entitled to vote at the Annual Meeting and any adjournments thereof.

You are requested to complete and sign the accompanying proxy card which is solicited by the Board of Directors and to mail it promptly in the accompanying envelope. The proxy card will not be used if you attend the Annual Meeting and vote in person. To obtain directions to attend and vote at its Annual Meeting in person, call (215) 945-1200.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Steven Gillespie

Steven Gillespie  
Corporate Secretary

Levittown, Pennsylvania  
October 4, 2010

Important Notice Regarding Internet  
Availability of Proxy Materials  
For the Stockholder Meeting to be  
Held on November 3, 2010  
The Proxy Statement and Annual Report to  
Shareholders are available at  
[www.willpenn.com/links.aspx](http://www.willpenn.com/links.aspx)



PROXY STATEMENT  
of  
WILLIAM PENN BANCORP, INC.  
8150 Route 13  
Levittown, Pennsylvania 19057  
(215) 945-1200

ANNUAL MEETING OF STOCKHOLDERS  
November 3, 2010

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GENERAL

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This proxy statement is being furnished to stockholders of William Penn Bancorp, Inc. by the Company's Board of Directors in connection with its solicitation of proxies for use at the 2010 Annual Meeting of Stockholders to be held at the Hampton Inn & Suites Newtown, 1000 Stoney Hill Road, Yardley, Pennsylvania on Wednesday, November 3, 2010 at 10:00 a.m., Eastern Time. This proxy statement and the accompanying form of proxy are first being sent to stockholders on or about October 4, 2010.

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VOTING AND PROXY PROCEDURES

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Who Can Vote at the Annual Meeting

You are only entitled to vote at the Annual Meeting if our records show that you held shares of our common stock, \$.10 par value (the "Common Stock"), as of the close of business on September 15, 2010 (the "Record Date"). If your shares are held by a broker or other intermediary, you can only vote your shares in person at the Annual Meeting if you have a properly executed proxy from the record holder of your shares (or their designee). As of the Record Date, a total of 3,641,018 shares of Common Stock were outstanding. Each share of Common Stock has one vote in each matter presented.

Voting by Proxy

The Board of Directors is sending you this Proxy Statement for the purpose of requesting that you allow your shares of Common Stock to be represented at the Annual Meeting by the persons named in the enclosed Proxy Card. All shares of Common Stock represented at the Annual Meeting by properly executed and dated proxies will be voted according to the instructions indicated on the Proxy Card. If you sign, date and return the Proxy Card without giving voting instructions, your shares will be voted as recommended by the Company's Board of Directors. The Board of Directors recommends a vote "FOR" each of its nominees for director and "FOR" the ratification of the appointment of S.R. Snodgrass, A.C. as the Company's independent auditors for the fiscal year ending June 30, 2011.

If any matters not described in this Proxy Statement are properly presented at the Annual Meeting, the persons named in the Proxy Card will vote your shares as determined by a majority of the Board of Directors. This includes a motion to adjourn the Annual Meeting to solicit additional proxies. If the Annual Meeting is postponed or adjourned, your Common Stock may be voted by the persons named in the Proxy Card on the new Annual Meeting dates as well,

unless you have revoked your proxy. The Company does not know of any other matters to be presented at the Annual Meeting.

You may revoke your proxy at any time before the vote is taken at the Annual Meeting. To revoke your proxy you must either advise the Company's Secretary in writing before your Common Stock has been voted at the Annual Meeting, deliver a later-dated proxy, or attend the Annual Meeting and vote your shares in person. Attendance at the Annual Meeting will not in itself revoke your proxy.

If you hold your Common Stock in "street name," you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. Your broker, bank or other nominee may allow you to deliver your voting instructions via the telephone or the Internet. Please see the instruction form provided by your broker, bank or other nominee that accompanies this Proxy Statement. If you wish to change your voting instructions after you have returned a voting instruction form to your broker, bank or other nominee, you must contact your broker, bank or other nominee.

#### Internet Access to Proxy Materials

Copies of this Proxy Statement and the 2010 Annual Report to Stockholders are available on the internet at [www.willpenn.com/links.aspx](http://www.willpenn.com/links.aspx). Stockholders can elect to receive future proxy statements and annual reports over the internet rather than in printed form. Stockholders of record can make this election by calling toll-free to 877-276-3165, sending an e-mail to [webmaster.willpenn@verizon.net](mailto:webmaster.willpenn@verizon.net), or by following the instructions at [www.willpenn.com/links.aspx](http://www.willpenn.com/links.aspx). If you hold your shares in street name, please refer to the information provided by your broker, bank or other nominee for instructions on how to elect to access future proxy materials over the internet.

#### Participants in the William Penn Bank, FSB Employee Stock Ownership Plan and 401(k) Retirement Savings Plan

If you are a participant in the William Penn Bank, FSB Employee Stock Ownership Plan (the "ESOP") or hold Common Stock through the William Penn Bank, FSB 401(k) Retirement Savings Plan (the "401(k) Plan"), you will receive a voting instruction form from each plan that reflects all shares you may vote under these plans. Under the terms of the ESOP, all shares held by the ESOP are voted by the ESOP trustees, but each participant in the ESOP may direct the trustees on how to vote the shares of Common Stock allocated to his or her account. Unallocated shares and allocated shares for which no timely voting instructions are received will be voted by the ESOP trustees as directed by the ESOP Committee consisting of the outside directors of the Board. Under the terms of the 401(k) Plan, you are entitled to direct the trustee how to vote the shares of Common Stock credited to your account in the 401(k) Plan. The 401(k) Plan trustee will vote all shares for which it does not receive timely instructions from participants at the direction of the Company's Board of Directors or the Plan Committee of the Board. The deadline for returning your voting instruction form to the trustees of the ESOP and 401(k) Plan is October 27, 2010.

#### Vote Required

The Annual Meeting can only transact business if a majority of the outstanding shares of Common Stock entitled to vote is represented at the Annual Meeting. If you return a valid proxy or attend the Annual Meeting in person, your shares will be counted for purposes of determining whether there is a quorum even if you abstain or withhold your vote or do not vote your shares at the Annual Meeting. Broker non-votes will be counted as present for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not have discretionary voting power with respect to the agenda item and has not received voting instructions from the beneficial owner.



In voting on the election of directors, you may vote in favor of all nominees, withhold votes as to all nominees, or vote in favor of all nominees except nominees you specify as to which you withhold your vote. There is no cumulative voting in the election of directors. Directors must be elected by a plurality of the votes cast at the Annual Meeting. This means that the nominees receiving the greatest number of votes will be elected. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting to ratify the appointment of S.R. Snodgrass, A.C. as independent auditors for the 2011 fiscal year, you may vote in favor of the proposal, against the proposal or abstain from voting. To be approved, this proposal requires the affirmative vote of a majority of the votes cast at the Annual Meeting. Broker non-votes and abstentions will not be counted as votes cast on the proposal and therefore will have no effect on the outcome of the voting on this proposal.

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#### PRINCIPAL HOLDERS OF OUR COMMON STOCK

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The following table sets forth, as of the Record Date, certain information as to those persons who were known to be the beneficial owners of more than five percent (5%) of the Company's outstanding shares of Common Stock and as to the shares of Common Stock beneficially owned by all executive officers and directors of the Company as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Shares of Common Stock Outstanding (2)
William Penn, MHC 8150 Route 13 Levittown, Pennsylvania 19057	2,548,713	70.0%
Tyndall Capital Partners, L.P. 599 Lexington Avenue, Suite 4100 New York, New York 10022	221,617(3)	6.1%
Joseph Stilwell Stilwell Management LLC Stilwell Value LLC Stilwell Offshore Ltd. Stilwell Associates, L.P. Stilwell Partners, L.P. Stilwell Value Partners VI, L.P. 26 Broadway, 23rd Floor New York, New York 10004	324,943(4)	8.9%
All directors and executive officers as a group (8 persons)	96,712(5)	2.7%

(1) For purposes of this table, a person is deemed to be the beneficial owner of shares of Common Stock if he or she has or shares voting or investment power with respect to such shares or has a right to acquire beneficial ownership at any time within 60 days from the Record Date. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares. Except as otherwise noted, ownership is direct, and the named persons or group exercise sole voting and investment power

over the shares of the Common Stock.

(footnotes continued on following page)

- (2) In calculating the percentage ownership of an individual or group, the number of shares outstanding is deemed to include any shares which the individual or group have the right to acquire through the exercise of options or otherwise within 60 days of the Record Date.
- (3) According to the most recent amendment to the Schedule 13G filed by Tyndall Capital Partners, L.P. on February 16, 2010, 150,684 shares are owned by Tyndall Partners, L.P., a Delaware limited partnership (“Tyndall”), 70,933 shares are owned by Tyndall Institutional Partners, L.P., a Delaware limited partnership (“Tyndall Institutional”), and 25,000 shares are owned by Jeffrey Halis. Tyndall Capital Partners, L.P. is the general partner of Tyndall and Tyndall Institutional. Mr. Halis is the manager of Jeffrey Management, LLC, the general partner of Tyndall Capital Partners, L.P., and he possesses the sole power to vote and the sole power to direct the disposition of all shares held by Tyndall and Tyndall Institutional.
- (4) According to the most recent amendment to the Schedule 13D filed by the reporting persons on March 2, 2010, the reporting persons each have shared voting and dispositive power over 324,943 shares. Joseph Stilwell is the managing and sole member of Stilwell Value LLC which is the general partner of Stilwell Associates, L.P. and Stilwell Value Partners VI, L.P. and the managing and sole member of Stilwell Management LLC which is the manager of Stilwell Offshore Ltd.
- (5) Includes 36,500 shares held in executive officers’ accounts in the 401(k) Plan, 4,312 shares allocated to executive officers’ accounts in the ESOP and 20,765 shares held by spouses or in IRAs or profit-sharing plans of directors and executive officers. Excludes 69,908 unallocated shares held by the ESOP. Directors Feeney, Davis, Burton and Parry serve as the ESOP trustees and vote such shares as directed by the ESOP Committee, subject to such trustees’ fiduciary duties.

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## PROPOSAL I – ELECTION OF DIRECTORS

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The Company’s Board of Directors is composed of six members. Under the Company’s Bylaws, directors are divided into three classes, as nearly equal in number as possible. Each class serves for a three-year term, with one class of directors standing for election at each annual meeting. The Board of Directors has nominated directors Terry L. Sager and William J. Feeney (the “Nominees”) to serve as directors for additional three-year terms.

Each of the Nominees has consented to be named in this proxy statement and to serve, if elected. If any Nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute as the Board of Directors may recommend. At this time, the Board knows of no reason why any Nominee might be unavailable to serve.

Under our Bylaws, directors are elected by a plurality of the votes cast at an Annual Meeting at which a quorum is present. Votes that are not cast at the Annual Meeting, either because of abstentions or broker non-votes, are not considered in determining the number of votes which have been cast for or withheld from a nominee. Unless otherwise specified on the proxy, it is intended that the persons named in the proxies solicited by the Board will vote for the election of the named Nominees.

The following table sets forth the names of the Board’s nominees for election as directors of the Company, of those directors who will continue to serve as such after the Annual Meeting and for each executive officer who is not a director. Also set forth is certain other information with respect to each person’s age, their positions with the Company, the year he or she first became a director of the Company’s wholly owned subsidiary, William Penn Bank, FSB (the “Bank” or “William Penn”), the expiration of his or her term as a director, and the number and percentage of shares of the Common Stock beneficially owned. All current directors, except for Terry L. Sager, were initially appointed as directors of the Company in 2008 in connection with the Company’s incorporation and also serve as

directors of William Penn, MHC. Terry L. Sager was appointed a director of the Company in May 2010.

Name and Positions with Company	Age (1)	Year First Elected as Director of the Bank	Current Term to Expire	Shares of Common Stock Beneficially Owned (1)(2)	Percent of Class
<b>BOARD NOMINEES FOR TERMS TO EXPIRE IN 2013</b>					
Terry L. Sager President and Chief Executive Officer, Director	49	2010	2010	6,098(3)	*
William J. Feeney Chairman of the Board, Director	66	1985	2010	20,000	*
<b>DIRECTORS CONTINUING IN OFFICE</b>					
Craig Burton Director	62	1993	2011	4,800(4)	*
Glenn Davis Director	58	1986	2011	5,000	*
Charles Corcoran Executive Vice President, and Chief Financial Officer, Director	58	1989	2012	26,482(5)	*
William B.K. Parry, Jr. Director	62	1986	2012	22,500(6)	*
<b>EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS</b>					
James D. Douglas Vice President, Chief Lending Officer	58	NA	NA	11,511(7)	*
Aswini U. Hiremath Chief Accounting Officer	34	NA	NA	321(8)	*

\* Less than 1.0% of shares outstanding.

(1) As of the Record Date.

(2) Excludes 69,908 unallocated shares held by the ESOP for which Directors Feeney, Davis, Burton and Parry serve as plan trustees.

(3) Includes 1,500 shares held through 401(k) Plan and 1,098 shares allocated to her account in the ESOP.

(4) Includes 800 shares held by spouse.

(5) Includes 25,000 shares held through 401(k) Plan and 1,482 shares allocated to his account in the ESOP.

(6) Includes 14,000 shares held by profit-sharing plan, 2,535 shares held by spouse and 3,430 shares held in IRA.

(7)

Includes 10,000 shares held through 401(k) Plan and 1,511 shares allocated to his account in the ESOP.

- (8) Includes 221 shares allocated to her account in the ESOP.

#### Business Experience and Qualifications of Directors

The Board believes that the many years of service that our directors have had at the Company and the Bank or at other financial institutions is one of the directors' most important qualifications for service on the Board. This service has given them extensive knowledge of the banking business and the Company. Furthermore, their service on Board committees, especially in areas of audit, compliance and compensation is critical to their ability to oversee the management of the Bank by our executive officers. Service on the Board by the Chief Executive Officer is critical to aiding the outside directors to understand the crucial and complicated issues that are common in the banking business. Each outside

director brings special skills, experience and expertise to the Board as a result of their other business activities and associations.

Terry L. Sager was appointed President and Chief Executive Officer on April 5, 2010 and was appointed to the Board of Directors in May 2010. She was previously our Corporate Secretary and Treasurer. She is a certified public accountant and served as our principal accounting officer until July 2008. She is also responsible for human resources and employee benefits. She also serves as a director of the William Penn Bank Community Foundation. Ms. Sager joined the Bank in 1986. Her many years of service in many areas of operations at the Bank and duties as an executive officer of the Company and the Bank bring a special knowledge of the financial, economic and regulatory challenges the Company faces and makes her well-suited to educating the Board on these matters.

William J. Feeney is a retired Police Chief, Richboro, Pennsylvania. Mr. Feeney is the president of KevinBuilt, Inc., a Plumsteadville, Pennsylvania building contractor and the owner of Occasions of Naples, Inc. (flowers and gifts) located in Naples, Florida. His participation in our local community for 30 years brings knowledge of the local economy and business opportunities for the Bank.

Craig Burton is a Partner in Burton & Browse LLP, Certified Public Accountants, located in Newtown, Pennsylvania. He is a certified public accountant. His participation in our local community for 38 years brings knowledge of the local economy and business opportunities for the Bank.

Glenn Davis retired as the president and owner of Davis Pontiac, Inc. (auto dealership) of Richboro, Pennsylvania in December 2007. His participation in our local community for over 36 years brings knowledge of the local economy and business opportunities for the Bank.

Charles Corcoran is currently Executive Vice President and Chief Financial Officer. He was President and Chief Executive Officer until April 2010. He joined the Bank in 1979, was elected to the Board of Directors in 1989 and became president in 1993. Mr. Corcoran also serves as our principal financial officer and as a director of the William Penn Bank Community Foundation. His many years of service in many areas of operations at the Bank and duties as an executive officer of the Company and the Bank bring a special knowledge of the financial, economic and regulatory challenges the Company faces and makes him well-suited to educating the Board on these matters.

William B.K. Parry, Jr. is President of William B. Parry & Son, Ltd. (insurance agency) Langhorne, Pennsylvania in which he is the majority owner. He is also president of Bucks County Contributionship, a mutual insurance company. His participation in our local community for 38 years brings knowledge of the local economy and business opportunities for the Bank.

#### Business Background of Our Executive Officers Who Are Not Directors

The business experience for the past five years of each of the Company's executive officers who are not directors is set forth below. Unless otherwise indicated, the executive officer has held his or her position for the past five years.

James D. Douglas is our Vice President and serves as the chief lending officer. He also serves as a director of the William Penn Bank Community Foundation. Mr. Douglas joined the Bank in 1978.

Aswini U. Hiremath was appointed chief accounting officer in July 2008. Prior to joining the Company's accounting staff in January, 2008, Ms. Hiremath had been a staff accountant at Sterling Bank, Mount Laurel, New Jersey, since 2006. Prior to Sterling, she had been employed at William Penn Bank, FSB in financial reporting.





